



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

OCT 12 2005

Stephen V. Manning, Esq.  
O'Brien Tanski & Young LLP  
City Place II  
185 Asylum Street  
Hartford, Connecticut 06103-3402

RE: MUR 5453  
Thomas Willsey

Dear Mr. Manning:

On October 6, 2005, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of violations of 2 U.S.C. §§ 441b and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter as it pertains to Mr. Willsey.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Alexandra Doumas", with a long, sweeping horizontal line extending to the right.

Alexandra Doumas  
Attorney

Enclosures  
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

2005 SEP 12 1 A 10: 29

In the Matter of )

Thomas Willsey )

MUR 5453

CONCILIATION AGREEMENT

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. *See* 2 U.S.C. § 437g(a)(2). Based upon information provided to the Commission by Arthur A. Watson & Co., Inc. and other available information, the Commission found reason to believe Thomas Willsey ("Respondent") knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.<sup>1</sup>

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

<sup>1</sup> All of the facts recounted in this agreement occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. 107-155, 116 Stat. 81 (2002). Accordingly, unless specifically noted to the contrary, all citations to the Federal Election Campaign Act of 1971, as amended ("the Act"), herein are to the Act as it read prior to the effective date of BCRA and all citations to the Commission's regulations herein are to the 2000 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission's promulgation of any regulations under BCRA. All statements of the law in this agreement that are written in the present tense shall be construed to be in either the present or the past tense, as necessary, depending on whether the statement would be modified by the impact of BCRA or the regulations thereunder.

1 IV. The pertinent facts and law in this matter are as follows:

2 1. Arthur A. Watson & Company, Inc. is a corporation organized by  
3 authority of the State of Connecticut.

4 2. At all times relevant to this matter, Thomas Willsey was President of  
5 Arthur A. Watson & Company, Inc.

6 3. The Giordano for U.S. Senate Committee ("Committee") is a political  
7 committee within the meaning of 2 U.S.C. § 431(4), and was Philip Giordano's authorized  
8 committee for his 2000 Senatorial race as the Republican candidate for U.S. Senate against  
9 Senator Joseph Lieberman in Connecticut.

10 4. Corporations are prohibited from making contributions or expenditures  
11 from their general treasury funds in connection with any election of any candidate for federal  
12 office. *See* 2 U.S.C. § 441b(a). It is unlawful for any corporate officer or director to consent to  
13 any contribution or expenditure by the corporation. *See id.* 2 U.S.C. § 441b(a) also makes it  
14 unlawful for any candidate, political committee, or other person knowingly to accept or receive a  
15 prohibited corporate contribution. *See id.*

16 5. 2 U.S.C. § 441f prohibits: (1) making a contribution in the name of  
17 another; (2) knowingly permitting one's name to be used to effect such a contribution; and  
18 (3) knowingly accepting such a contribution. In addition, no person may knowingly help or  
19 assist any person in making a contribution in the name of another. *See* 2 U.S.C. § 441f; *see also*  
20 11 C.F.R. § 110.4(b)(1)(iii).

21 6. The Act addresses violations of law that are knowing and willful. *See*  
22 2 U.S.C. §§ 437g(a)(5)(B) and 437g(d). The phrase "knowing and willful" indicates that  
23 "actions [were] taken with full knowledge of all of the facts and a recognition that the action is  
24 prohibited by law." 122 Cong. Rec. H3778 (daily ed. May 3, 1976).

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1                   7.     In April of 2000, an officer of Arthur A. Watson & Company, Inc.  
2     approached Respondent and told him that an agency client had asked if employees of Arthur A.  
3     Watson & Company, Inc. would make contributions to the Committee. Not long thereafter, the  
4     officer informed Respondent that he and three other individuals wished to contribute \$2,000 to  
5     the Committee and asked Respondent if the Company could provide payments to the employees  
6     to offset the amount of the contributions.

7                   8.     Respondent contends that his initial response was "no," but, after the  
8     officer persisted, Mr. Willsey consulted outside legal counsel. Respondent acknowledges that  
9     outside legal counsel advised that Arthur A. Watson & Company, Inc. could not issue  
10    reimbursements for political contributions through business expense accounts. Respondent  
11    contends that he understood from counsel's additional remarks (a) that senior management had  
12    discretion to adjust the employees' compensation and (b) that, while these adjustments had the  
13    effect of offsetting political contributions, it would not violate the law for senior management to  
14    make such adjustments if made in an appropriate manner. While counsel thought that the tenor  
15    of the conversation indicated that this course of action was improper, counsel did not specifically  
16    tell Respondent that doing so was against the law.

17                  9.     From on or about April 18, 2000 through on or about April 28, 2000, with  
18    Respondent's consent and assistance, Arthur A. Watson & Company, Inc. used corporate funds  
19    to increase compensation to the employees, which offset the contributions made to the  
20    Committee by four employees and their spouses in the total amount of \$8,000.

21           V.     Respondent, through his conduct, violated 2 U.S.C. §§ 441b(a) and 441f.

22           VI.    1.     Respondent will pay a civil penalty to the Federal Election Commission in  
23    the amount of thirteen thousand dollars (\$13,000), pursuant to 2 U.S.C. § 437g(a). In arriving at

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1 this amount, the Commission took into account Mr. Willsey's cooperation with the  
2 Commission's investigation and participation in the conciliation process.

3           2.       Respondent will cease and desist from violating 2 U.S.C. §§ 441b(a) and  
4 441f.

5           3.       Respondent will waive his right to a refund of all political contributions  
6 referenced in this agreement that have not been previously refunded or disgorged to the U.S.  
7 Treasury.

8           VII.    The Commission, on request of anyone filing a complaint under 2 U.S.C.  
9 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance  
10 with this agreement. If the Commission believes that this agreement or any requirement thereof  
11 has been violated, it may institute a civil action for relief in the United States District Court for  
12 the District of Columbia.

13           VIII. This agreement shall become effective as of the date that all parties hereto have  
14 executed same and the Commission has approved the entire agreement.

15           IX.    Respondent shall have no more than 30 days from the date this agreement  
16 becomes effective to comply with and implement the requirement contained in this agreement  
17 and to so notify the Commission.

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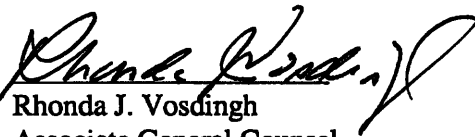
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X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:


Lawrence H. Norton  
General Counsel

BY:

  
Rhonda J. Vosdingh  
Associate General Counsel  
for Enforcement

10/11/05  
Date

FOR THE RESPONDENT:

  
Thomas Willsey

9/6/05  
Date

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